

FILE No:
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MARS/PRISM:

Form G

Commonwealth of Australia
Trade Practices Act 1974 — subsection 93 (1)

NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:
(Refer to direction 2)

N95214

Virginia Surety Company, Inc.

- (b) Short description of business carried on by that person:
(Refer to direction 3)

Underwriting of Insurance Products.

- (c) Address in Australia for service of documents on that person:

Level 2, 74 Doncaster Road, Balwyn North VIC 3104.

2. Notified arrangement

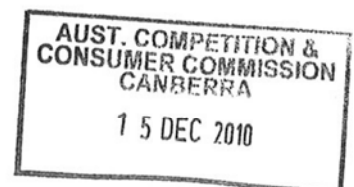
- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

Extended warranty product which provides coverage in the event of a mechanical / electrical breakdown of the vehicle.

- (b) Description of the conduct or proposed conduct:

Virginia Surety Company will honour claims against the Extended Warranty on condition that the customer acquires servicing from the selling dealer / group of dealers.

(Refer to direction 4)



3. Persons, or classes of persons, affected or likely to be affected by the notified conduct.

- (a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)

The market to which the conduct relates is the market for motor vehicle servicing.

- (b) Number of those persons:

- (i) At present time:

Nil

- (ii) Estimated within the next year:
(Refer to direction 6)

New product – would estimate 100.

- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

As product has not yet been sold, we cannot ascertain this information.

4. Public benefit claims

- (a) Arguments in support of notification:
(Refer to direction 7)

- **The proposed duration of the warranty is one year, which is very short.**
- **There are still a large number of cars available to be serviced by car dealers that are not a part of the extended warranty program. At its worst, only 15% of car buyers acquire extended warranties.**
- **Extended warranties expire at different times depending upon when they were purchased, which means there is not a 'block' of vehicles all tied to dealers at the same time.**

- (b) Facts and evidence relied upon in support of these claims:

Terms and Conditions of the product.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 8)

The market affected will be the servicing market for motor vehicles. The effect of the arrangements will be to prevent car owners who purchase an extended warranty from using a repairer other than the specified dealer (or in some case dealers). This forecloses those customers from competing repairers.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:
(Refer to direction 9)

We do not believe that there will be any effect on the price of goods or services covered by this warranty.

- (b) Facts and evidence relevant to these detriments:
N/A

7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Ainsley Brayne


Risk & Legal Officer

PO Box 246, Balwyn VIC 3103

(03) 9862 3229

Dated.....13/12/10.....

Signed by/on behalf of the applicant


.....
(Signature)

Scott Grimshaw
(Full Name)

Virginia Surety Company, Inc
(Organisation)

Managing Director
(Position in Organisation)